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OFFICE OF PLANNING  
& SUSTAINABLE DEVELOPMENT**

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Statement of  
**MARY ALICE EVANS, Director**

before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Tuesday, April 7, 2026  
10:31 AM  
State Capitol, Conference Room 211

in consideration of  
**HB 2270, HD 1, SD 1**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means.

The Office of Planning and Sustainable Development (OPSD) **supports** HB 2270, HD 1, SD 1, which amends the downpayment loan program, administered by the Hawaii Housing Finance and Development Corporation (HHFDC), by: removing the prohibition on combined loan-to-value ratios; clarifying HHFDC's authority to establish interest rates and allow payment waivers and interest forgiveness; authorizing financial institutions, mortgage lenders, and other loan originators to originate downpayment loans; and reducing the borrower's required personal contribution toward the downpayment. The measure also authorizes borrowers to use a portion of a downpayment loan to pay for closing costs, prepaids, and reserves for the purchase of a residential property for which the downpayment loan is provided.

OPSD believes this bill will help individuals and families as it will keep the downpayment assistance to a reasonable loan to value, allow for the corporation to forgive all or a portion of the accrued interest, and give HHFDC flexibility to work with nonprofits as loan originators.

Thank you for the opportunity to testify on this measure.

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR



**DEAN MINAKAMI**  
EXECUTIVE DIRECTOR

## **STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

### **HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

677 QUEEN STREET, SUITE 300

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Statement of

### **DEAN MINAKAMI**

Hawaii Housing Finance and Development Corporation  
Before the

### **SENATE COMMITTEE ON WAYS AND MEANS**

April 7, 2026 at 10:31 a.m.

State Capitol, Room 211

In consideration of

### **HOUSE BILL 2270, HOUSE DRAFT 1, SENATE DRAFT 1 RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee.

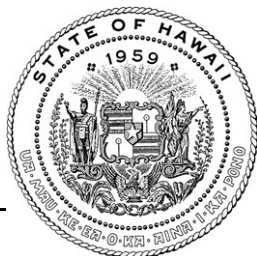
HHFDC **supports** HB2270, HD1, SD1, which seeks to improve the Downpayment Loan Assistance Program administered by HHFDC.

In December 2025, HHFDC launched the Hale Kama'āina Mortgage Program (Program) to provide below-market-rate mortgage financing to qualified households. The Program is funded through the sale of tax-exempt revenue bonds and is self-sustaining. The Program does not rely on legislative appropriations to fund its operations or administration costs.

The Program offers an optional downpayment assistance component because HHFDC recognizes that many families can reliably afford monthly mortgage payments but lack the upfront cash required for a downpayment and loan closing costs. Current law requires buyers to contribute five percent of their own funds to qualify for downpayment assistance and limits the use of the downpayment loan to a downpayment only, creating barriers and preventing access to downpayment assistance.

Given today's high housing costs, these statutory requirements have become significant barriers for first-time and first-generation homebuyers. These barriers are underscored by the fact that loan funds have not been reserved under the Program. Feedback from local lenders confirms that these statutory requirements are the reasons that loan funds have not been reserved under the Program. This bill restores flexibility lost under prior legislation and modernizes the program to meet today's housing challenges. It empowers families who might otherwise be priced out of the market, supports economic stability, and strengthens communities statewide.

Thank you for the opportunity to testify.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR

JAMES KUNANE TOKIOKA  
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Statement of  
**JAMES KUNANE TOKIOKA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Tuesday, April 7, 2026  
10:31 AM  
State Capitol, Conference Room 211

**HB2270, HD1, SD1**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee:

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** HB2270, HD1, SD1, which seeks to improve the Downpayment Loan Assistance Program administered by HHFDC.

This bill aims to make homeownership more accessible for first-time buyers, especially low- and moderate-income households.

Key provisions include:

- Reducing the minimum borrower contribution from 5 percent to 3 percent will decrease the financial barrier of upfront costs.
- Greater flexibility as buyers can use funds for closing costs, prepaids, and reserves.
- Allowing HHFDC to forgive accrued interest under certain conditions, providing flexibility for families facing hardship and encouraging long-term owner occupancy.

Thank you for the opportunity to testify.

April 7, 2026

**The Honorable Donovan M. Dela Cruz, Chair**

Senate Committee on Ways and Means  
State Capitol, Conference Room 211 & Videoconference

**RE: House Bill 2270, HD1, SD1, Relating to the Downpayment Loan Assistance Program**

**HEARING: Tuesday, April 7, 2026, at 10:31 a.m.**

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** House Bill 2270, HD1, which amends the Downpayment Loan Assistance Program by: removing the prohibition on combined loan-to-value ratios; clarifying the Hawai'i Housing Finance and Development Corporation's authority to allow payment waivers and interest forgiveness; authorizing financial institutions, mortgage lenders and other loan originators to originate downpayment loans; and reducing the borrower's required personal contribution toward the downpayment. Effective 7/1/3000.

High housing costs and elevated interest rates continue to make homeownership challenging for many Hawaii residents. For first-time homebuyers, saving for a down payment remains an additional and significant barrier. To help address this challenge, the Hawaii Housing Finance and Development Corporation ("HHFDC") launched the Hale Kamaaina Mortgage Program, which offers competitive, fixed-rate 30-year mortgage loans. HHFDC also offers downpayment assistance through the Hale Kamaaina Down Payment Assistance Program which eligible home buyers can qualify for a downpayment requirement as low as 5% of the purchase price through a low-interest loan program. HHFDC is repaid its equity investment, plus shared appreciation, upon resale of the unit.

As of February 2026, the median statewide single-family home price is \$1,080,000 and for condominiums it is \$546,000.<sup>1</sup> Based on the median amounts, a 5% downpayment would total \$54,000 and \$27,300 respectively. For many Hawaii residents, that amount may still be out of reach. As such, this measure would reduce the downpayment requirement to 3% and provides for greater financing and program flexibility which HAR believes can help more Hawaii residents achieve the dream of homeownership

Mahalo for the opportunity to provide testimony on this measure.

<sup>1</sup> Hawai'i REALTORS® from data provided by the MLS. (February 2026). Statewide Housing Trends. <https://www.hawaiiirealtors.com/housing-trends>



*Mortgage Bankers Association of Hawaii*  
*P.O. Box 4129, Honolulu, Hawaii 96812*

April 6, 2026

The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Sharon Y. Moriwaki, Vice Chair  
Members of the Senate Committee on Ways and Means

Hearing Date: April 7, 2026  
Hearing Time: 10:31am  
Hearing Place: Hawaii State Capitol, Conference Room 211

Re: HB 2270 HD1 SD1 related to Downpayment Loan Assistance Program

I am Victor Brock, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH **SUPPORTS HB2270 HD1 SD1**, as it will provide additional flexibility for homebuyers who are challenged with minimal funds for downpayment and closing costs.

Thank you for the opportunity to present this testimony.

Victor Brock  
Mortgage Bankers Association of Hawaii